Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Expedited Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration	)	CC Docket No. 00-218
In the Matter of Petition of Cox Virginia Telecom, Inc., etc.	)	CC Docket No. 00-249
In the Matter of Petition of AT&T Communications of Virginia Inc., etc.	)	CC Docket No. 00-251

VERIZON VIRGINIA INC.'S REPLY TO AT&T/WORLDCOM COMPLIANCE FILING

Verizon Virginia Inc. ("Verizon VA") hereby replies to the compliance filing submitted by AT&T/WorldCom in the above-referenced proceeding. As a threshold matter, AT&T/WorldCom's compliance filing cannot make up for the fact that the CLECs' non-recurring cost model is inherently flawed and should not have been selected at all. In particular, the model improperly shifts most non-recurring costs to recurring rates, and thereby requires Verizon VA to bear the financial risk of the CLECs' entry. And the model drastically understates even the costs it does estimate, leading to substantial underrecovery of Verizon VA's costs and further subsidizing the CLECs. The compliance filing does nothing to correct these deficiencies: although it now includes seven additional non-recurring rates, those rates are

unsupported and understated, and the model still fails to account for dozens of rates that relate to very real non-recurring costs that Verizon VA does and will incur.

1. ***AT&T/WorldCom's Non-Recurring Model Is Inconsistent with Commission Precedent and Basic Principles of Cost Recovery.*** As the August 29, 2003 Memorandum Opinion and Order (the "*Order*") itself recognizes, AT&T/WorldCom's model "recovers more costs through recurring charges" even though those costs are non-recurring in nature. *Order* ¶ 584. The Commission's rules and decisions, however, firmly establish that UNE costs should be recovered in the manner they are incurred. Indeed, with respect to non-recurring costs in particular, the Commission has consistently recognized that "LECs should . . . recover through an NRC their full one-time costs of providing, terminating or modifying a[] . . . service. This is consistent with our policies encouraging the recovery of costs from cost causers and would reduce the subsidy of short-term users by longer term customers."[1/]

By shifting non-recurring costs to recurring rates, AT&T/WorldCom's model requires Verizon VA to bear the CLECs' risk of entry. But as the Commission previously has found, "LECs should not be forced to underwrite th[is] risk.".[2/] This sends artificial and incorrect economic signals to CLECs, and promotes inefficient entry. In addition, it virtually ensures underrecovery of Verizon VA's costs. Verizon VA will incur its non-recurring costs upfront, now, and will only recover them, if at all, over time, in periodic payments from an ever-changing

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1/ Memorandum Opinion and Order, *Investigation of Interstate Access Tariff Non-Recurring Charges,* 2 FCC Rcd 3498, 3501-02 ¶¶ 32-33 (1987) ("*Non-Recurring Charges Order*"); *see also id.* 3499 ¶ 12, 3502 ¶ 35; First Report and Order, *Implementation of the Telecommunications Act of 1996*, 11 FCC Rcd 15499, 15874 ¶ 743 (1996) ("*Local Competition Order*").

2/ Second Report and Order, *Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection through Physical Collocation for Special Access and Switched Transport*, 12 FCC Rcd 18730, 18750 ¶ 33 (1997).

group of CLECs. In effect, the *Order* requires Verizon VA to act as the CLECs' banker, extending interest-free credit. To even begin to produce adequate recovery would require estimating how long the average customer will take service — an uncertain exercise that will seriously increase Verizon VA's risk. And that risk is particularly acute, given the high rate of churn among CLEC customers. As MCI itself noted, nearly 50% of its customers turn over within three months.[3/] The continued spate of CLEC bankruptcies only exacerbates this risk.

Further, the idea that the recurring rates set by the *Order* somehow cover non-recurring costs makes no sense. The CLECs' modified universal service model understates loop costs, and the *Order*'s radically low high capacity loop rates do not even purport to be based on costs. Moreover, Verizon VA's recurring cost models for all the remaining UNEs -- including switching, transport, subloops, dark fiber, and others -- were never designed to recover non-recurring costs.

Even where AT&T/WorldCom agree that the costs for certain tasks should be recovered on a non-recurring basis, their model significantly understates the relevant costs. For this reason, as well, the model should have been rejected. While the Commission has recognized that incumbents have a right to recover their one-time costs of "providing, terminating or modifying a[] . . . service," *Non-Recurring Charges Order* at 3501-02 ¶¶ 32-33, and has rejected claims that hypothetical TELRIC assumptions are a basis to deny such recovery, [4/] AT&T/WorldCom's

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[3/] Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket Nos. 01-338, 96-98, 98-147, FCC 03-36, ¶ 471 (re. Aug. 21, 2003) ("*Triennial Review Order*").

[4/] *Local Competition Order* at 15692 ¶ 382; Third Report and Order and Fourth Further Notice of Proposed Rulemaking, *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, 15 FCC Rcd 3696, 3784 ¶ 193 (1999); Reply Brief for Petitioners United States and the FCC, *Verizon Communications, Inc. v. FCC*, Nos. 00-511 *et al.*,

model is flatly inconsistent with this precedent. Their model is based on extreme hypothetical assumptions that drive rates down well below cost.

For example, while the Commission's rules require that rates be based on only "currently available" technology, 47 C.F.R. § 51. 505(b)(1); *Triennial Review Order* ¶ 670 n.2020, the *Order* itself acknowledges that AT&T/WorldCom model instead assumes technology that is merely "theoretically feasible," even if it is not actually available at all. *Order* ¶ 568. Thus, AT&T/WorldCom's model reduces non-recurring costs based on the premise of "theoretically feasible" OSS and other technologies that allegedly would allow most tasks to be performed in an automated fashion. But such technology does not actually exist, and no carrier can achieve the idealistic 2% fallout AT&T/WorldCom hypothesize. Of course, the hypothetical assumptions themselves are based solely on the subjective opinion of the CLECs' subject matter experts, who do not have any experience provisioning UNEs; their proposals thus are not constrained by any real-world considerations. The result is not just hypothetical technological assumptions, but time and frequency estimates that are well below the real-world times and frequencies of performing relevant tasks. Based on these various fictions, AT&T/WorldCom's model precludes Verizon VA from recovering the very one-time costs that the Commission has declared incumbents have a right to recover.

2. ***AT&T/WorldCom's Compliance Filing Does Nothing to Correct These Shortcomings.*** The Bureau invited AT&T/WorldCom to submit certain non-recurring rates that were absent from their model as part of their compliance filing. That compliance filing does nothing to redress the serious shortcomings described above. In fact, it underlines them:

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at 10 n.7 (July 2001) ("FCC Reply Br.") ("[T]he [] suggestion . . . that TELRIC authorizes regulators to require incumbents to modify, 'for free,' loops to facilitate certain advanced services ignores express FCC directions to the contrary.") (citations omitted).

AT&T/WorldCom's original model included only 31 NRCs (plus another 18 separately stated disconnection NRCs); their compliance adds another seven. Yet Verizon VA proposed rates for *115* non-recurring tasks. *See Order* ¶¶ 581-82. And the seven new rates AT&T/WorldCom do submit simply reaffirm that the CLECs' non-recurring cost model is inherently unreliable. In developing the new non-recurring rates that the *Order* required, AT&T/WorldCom used times and work activities that are simply created out of thin air. They provide no empirical or objective support for these inputs: instead, they rely on nothing more than a citation to the speculations of their so-called subject matter experts -- paid consultants who have never even provisioned UNEs.

As Verizon VA witness Louis Minion explains in the attached declaration, for example, the *only* support AT&T/WorldCom provide for their proposed Manual Loop Qualification rate is the assertion that "modern databases" "*should*" make it possible to pull loop makeup information manually and transmit it to a CLEC in only half an hour. AT&T/WorldCom do not identify the allegedly relevant databases or systems, nor do they submit any testimony explaining how the time savings is accomplished. *See* Minion Decl. ¶ 6. This type of baseless assertion exemplifies the fundamental flaw with respect to *all* of the rates produced by the CLECs' model, not just the new ones the *Order* requires: the rates reflect no informed estimate of the real-world forward-looking costs of performing the non-recurring work activities that are required to provide UNEs.

As Mr. Minion further demonstrates, AT&T/WorldCom's proposed non-recurring rates also ignore various necessary tasks altogether, and understate the times needed to perform even those that they recognize. For example, as Mr. Minion shows, AT&T/WorldCom omitted several steps necessary with respect to generate an engineering work order. *See id.* ¶ 12, Attach. A at 4. And their proposed rate for load coil removal accounts only for the time of field

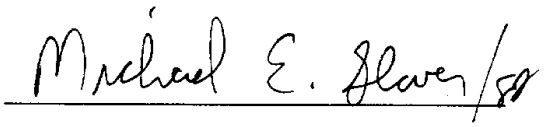
technicians, and simply disregards the time that would be involved in planning the job and dispatching the field technicians, which is done by other employees. *See id.* ¶ 16. The load coil removal rate also reflects significantly understated work times that are inconsistent with AT&T/WorldCom's own assumptions: in one case, they include the time for two technicians for two-thirds of a job, and then just assume away the existence of that technician, who would nonetheless be out on the job site, for the remainder of the time. *Id.* ¶¶ 16-21.

3. ***AT&T/WorldCom's Model Improperly Includes Non-Recurring Rates for Resale.*** AT&T/WorldCom have proposed non-recurring charges for total service resale. AT&T/WorldCom's testimony before the Bureau did not advocate separate non-recurring charges for resale. Nor would this make sense: The *Order* adopts Verizon's methodology (with only minor changes) for calculating resale rates, *Order* ¶¶ 674, 693, 697, and Verizon's methodology (and the resulting resale discount) already accounts for any avoided non-recurring costs. *See* Minion Decl. ¶ 25. It thus would make no sense to further reduce the rates for non-recurring retail services. In any event, AT&T/WorldCom's resale-related non-recurring rates would be invalid: those rates, like AT&T/WorldCom's other non-recurring rate proposals, are based on its interpretation of the TELRIC rules for UNE rates. But as the *Order* itself specifically noted, TELRIC is relevant only to pricing of UNEs, not resale. *Order* ¶ 674. Resale under the plain language of 47 U.S.C. § 252(d)(3), turns on the "retail rates charged to subscribers." Accordingly, the Bureau should reject the non-recurring charges for resale from AT&T/WorldCom's compliance filing.

4. ***Non-recurring costs should be recovered from the CLEC that causes them, regardless of whether some other carrier might benefit in the future.*** The Bureau invited the parties to consider "a method to implement . . . cost sharing" for conditioning on the theory that

the work "may in the future benefit other competitive LECs, or Verizon's own xDSL service." *Order* ¶ 644. Such cost sharing is inappropriate. The CLEC that causes the cost and enjoys the benefit of the service provision should bear that cost. Any method of cost sharing that shields the CLEC from the costs it causes the ILEC to incur would send incorrect economic signals about the costs of entry and customer acquisition and would shift the risks of entry from the CLEC to the ILEC. In any event, as even AT&T/WorldCom acknowledge, there is no administrable or reliable means for implementing cost sharing in a way that ensures that each carrier bears an appropriate share of costs.

Submitted by,



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CERTIFICATE OF SERVICE

I, John Meehan, do hereby certify that true and accurate copies of the foregoing, Verizon Virginia Inc.'s Reply to AT&T/ WorldCom Compliance Filing, were served by hand delivery via courier this 18th day of November, 2003, to:

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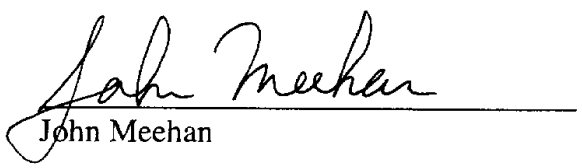

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DECLARATION OF LOUIS MINION

1. My name is Louis Minion. My business address is 1095 Avenue of the Americas, New York, New York. I am Director – Financial Planning and Analysis in the Service Costs organization, which is part of the Finance Department at Verizon. The Service Costs organization is responsible for developing costs for services provided by Verizon. I am responsible for economic analyses and cost studies for Verizon's products and services. In particular, I supervise the conduct of non-recurring cost studies, and I also provide other regulatory support.

2. I have over 20 years of experience with Verizon and its predecessor companies. I began my career with New York Telephone Company in June 1982 as an Outside Plant Engineer, where I was primarily responsible for trouble report rate analysis, outside plant mechanization projects, budgets, estimate case preparation and work orders.

In September 1986, I was promoted to the position of Staff Director in the Service Costs organization. In this position, I worked on special studies related to outside plant facilities before embarking on a special 11-month internship program at Bellcore in 1987. From August 1988 through December 1994, I worked on customer-specific pricing requests for large business users. In January 1995, I assumed responsibility for various aspects of cost study, cost study witnessing and other support associated with predominantly wholesale products. In August 2002, I assumed my current responsibilities in Service Costs.

3. I hold a Bachelor of Science degree in Applied Mathematics from Columbia University, which I earned in 1982, and a Master of Science degree in Mechanical Engineering from the New Jersey Institute of Technology, which I earned in 1989. In addition, I have attended many courses and seminars on relevant topics, including courses at the University of Maryland University College, Duke University Fuqua School of Business, and the Brookings Institute.

4. The purpose of my declaration is to respond to AT&T/WorldCom's compliance filing submitting non-recurring charges. I demonstrate that the rates submitted by AT&T/WorldCom are substantially below any realistic measure of efficient forward-looking costs because AT&T/WorldCom have omitted critical steps required to perform the activities they model and have made unsupported and nonsensical or inconsistent assumptions about the steps they do include. As a result, they have significantly underestimated the times required to perform the non-recurring activities.

5. Verizon VA has filed an application for review of the Wireline Competition Bureau's August 29, 2003 *Order* in the above-referenced case, as well as a

motion for stay, with the Commission. As described in those filings, the *Order's* decisions with respect to non-recurring charges prejudge major policy issues now under consideration by the full Commission. In addition, a number of aspects of the *Order* are contrary to both Commission precedent and the record in this proceeding. Although AT&T/WorldCom's compliance NRCs suffer from the flaws Verizon VA has already identified in these filings, I do not repeat those arguments here. Instead, my declaration focuses on the new non-recurring rates submitted by AT&T/WorldCom for elements for which they had previously not provided rates.

6. *Manual Loop Qualification and Engineering Query*: AT&T/WorldCom have provided no support for the non-recurring charges they submit for performing manual loop qualifications and engineering queries. Instead the "assumption" on which they base their time for both activities is a single sentence from their Reply Testimony: "Given modern databases and recordkeeping systems, it should not take any longer, on average, than half an hour for an engineering assistant to pull loop makeup information manually and fax or otherwise transmit that information to a competitor." AT&T/WorldCom NRC Panel Reply Testimony at 169. This is sheer speculation. AT&T/WorldCom provide no testimony or other evidence showing what database or record-keeping system could be used in performing these activities, what it would cost to purchase or install, or what it would cost to develop software to operate the system and to populate it with data.

7. In addition, it is clear that AT&T/WorldCom omit critical steps that are required to perform a manual loop qualification and an engineering query. For example, AT&T/WorldCom start the process by stating that Engineering or an Engineering Clerk

will "Pull and analyze order..." But nowhere do they account for the submission or processing of such an order, including any orders that may fall out for manual handling or correction. The charge for access to OSS included in the *Order* covers the costs of access to the electronic systems, but does not include any time for those instances where manual handling might be required; that time must be reflected in these activities.

8. Moreover, AT&T/WorldCom propose the same rate (based on the same time estimate) for both a manual loop qualification and for an engineering query. But the two activities are not the same. A manual loop qualification provides CLECs with the loop length and an indication whether the loop is qualified for DSL services. In addition, if the loop is not qualified, the response to a manual loop qualification provides the reason not qualified. The information returned to the CLEC in response to an engineering query is more detailed than the information returned in response to a loop qualification request. With an engineering query, Verizon VA provides a full loop make-up, including loop length, type of facility, cable gauge for each section of the loop, location of any load coils, and location and length of any bridged tap. AT&T/WorldCom, however, do not differentiate at all in the time required to perform these two activities.

9. For all of these reasons, it is clear that AT&T/WorldCom's proposed non-recurring charges for Manual Loop Qualifications and Engineering Queries substantially understate the forward-looking costs of these activities. As explained in its application for review, Verizon VA disagrees with the *Order's* decision to adopt the AT&T/WorldCom model. But if that model is used, it must at least reflect the steps required to perform the non-recurring activities. Attachment A to my declaration, at

pages 2-3, demonstrates the steps that AT&T/WorldCom have omitted from these activities, and the times required to perform them. Page 1 to that Attachment shows the costs that would result if these times, multiplied by AT&T/WorldCom's assumed labor rates, were included in the non-recurring charge. While these adjustments do not "correct" the AT&T/WorldCom model or make it adequate for developing non-recurring costs, they at least reflect the steps that must actually occur to perform the non-recurring activity. Accordingly, AT&T/WorldCom's proposed rates should be rejected, and rates based on Verizon VA's time estimates should be adopted instead.

10. *Engineering Work Order*: AT&T/WorldCom also have omitted critical steps required to generate an engineering work order. Moreover, the times estimated for the steps they have included are contradicted by their own testimony in this proceeding. As a result, they have substantially understated the time required to perform this activity. For example, AT&T/WorldCom's first step is "Design work requirements ... after research of cable plat(s); draw schematic of work required including outside plant locations." AT&T/WorldCom allow 10 minutes for this step. This is woefully inadequate. As AT&T/WorldCom stated in their Reply Testimony, "Research of cable plats should not take more than a half-hour for deloading (three to four load locations) and/or unbridging (one to three bridged tap locations)." AT&T/WorldCom NRC Panel Reply, Att. A ¶ 29. As a result, the time to generate an engineering work order must be increased by at least 30 minutes in order to include the critical step of researching the cable plats.

11. Moreover, AT&T/WorldCom drastically understate the time required to perform the remaining activities in their first step. According to AT&T/WorldCom, it

takes only 10 minutes to design the work requirements and draw the schematic of the work required. This is not possible today, and hypothetical future designs that are not currently available should not be included in cost studies and UNE rates. In addition, AT&T/WorldCom's suggestion that engineers could use simple "fill in the blanks" diagrams, AT&T/WorldCom NRC Panel Reply Testimony, Att. A ¶ 31, is unrealistic and contradicted by their own insistence that Verizon VA should keep its plant records updated. *See, e.g.*, AT&T/WorldCom NRC Panel Reply Testimony at 164. When Verizon VA prepares an engineering work order to remove bridged tap, for example, a more detailed schematic of the work location and adjacent cable sections is necessary to keep the cable plats as up to date as possible. Moreover, if there are working lines on both branches of a bridged cable facility, Verizon VA must locate spare facilities in order to engineer the transfer of one set of working lines to a different cable in order to remove the bridged tap from the requested loop. Ten minutes to perform all of these tasks is clearly insufficient.

12. Attachment A, page 4, to my declaration demonstrates the steps for generating an Engineering Work Order that AT&T/WorldCom have omitted, and the times required to perform these activities. Page 1 shows the costs that would result if these times, multiplied by AT&T/WorldCom's assumed labor rates, were included in the non-recurring charge. Accordingly, AT&T/WorldCom's proposed rate should be rejected, and a rate based on Verizon VA's time estimates should be adopted instead.

13. *Line Sharing – Connect and Disconnect*: AT&T/WorldCom understate the costs associated with these non-recurring activities because they make unrealistic assumptions about how long it will take to perform the work required. For example, for

connecting a linesharing arrangement, the AT&T/WorldCom model assumes that it takes only one minute each to run two cross-connections: one from the cable and pair appearance on the frame to the CLEC's equipment and the other from the CLEC's equipment to the Verizon office equipment appearance on the frame. That makes no sense: unless Verizon VA had technicians stationed at numerous locations around every frame just waiting to install a cross-connect (a gross inefficiency to which AT&T/WorldCom would, no doubt, object), it may well take more than a minute simply to locate the appropriate location on the frame for the customer that needs to be cut over. Verizon VA's data, based on surveys of workers who actually install cross-connects, showed that running the cross-connections to the CLEC frame (including performing a continuity test) in fact takes an average of 8.5 minutes. *See* Verizon NRC Model at Tab 123, CO Frame, Line 11. Verizon VA's time is quick and efficient; AT&T/WorldCom's is simply unrealistic.

14. In addition, AT&T/WorldCom omit steps that are necessary to perform these functions. For example, they do not include any time for receiving and processing the CLECs' orders to connect or disconnect linesharing. While the costs of the electronic interfaces are included in the charge for access to OSS, the costs of manual processing in those instances when the order falls out are not covered there, and need to be included here. Similarly, AT&T/WorldCom have omitted any time for the RCCC, which facilitates the provisioning of the CLECs' orders (for example, where linesharing is to be provisioned on a newly installed voice line, the RCCC makes sure the line has been installed) and communicates with the CLECs, if necessary, concerning the provisioning of their orders.

15. Attachment A, page 9, to my declaration demonstrate the steps that AT&T/WorldCom have omitted from the non-recurring activities necessary for connecting or disconnecting a linesharing arrangement, respectively, and the times required to perform these activities. Page 1 shows the costs that would result if these times, multiplied by AT&T/WorldCom's assumed labor rates, were included in the non-recurring charge. Accordingly, AT&T/WorldCom's proposed rates should be rejected, and rates based on Verizon VA's time estimates should be adopted instead.

16. *Load Coil Removal*: AT&T/WorldCom's proposed rate for load coil removal should be rejected. First, the rate assumes that only field technician time would be involved in completing a load coil removal job. But this is incorrect. AT&T/WorldCom omit any time for the construction management center, which plans the work in the most efficient manner given available resources and dispatches the field technicians.

17. Moreover, the times for the field technicians themselves are unsupported, understated, and nonsensical. AT&T/WorldCom's model assumes that a load coil removal job will require work at three locations, with the first two being underground manhole locations and the third an aerial or buried location. *See* AT&T/WorldCom NRC Panel Reply at 168, Attach. A. ¶ 11. AT&T/WorldCom hypothesize that it should take 20 minutes for the field technicians to travel to each underground splice location involved in the load coil removal job; because they assume two technicians, this results in their assumption of 80 minutes total for the underground work for this task. *See* AT&T/WorldCom NRC Panel Reply at 168, Attach. A. ¶ 11.

18. AT&T/WorldCom then assume that it will take only 10 minutes to drive from the second location to the third location. But the third location is as far from the second location as the second location is from the first. *See* AT&T/WorldCom NRC Panel Reply Testimony, Att. A ¶ 11. AT&T/WorldCom do not explain why it should take only half as long to drive the same distance. Further, AT&T/WorldCom account for only *one* technician's time at the third location. *Id.* But the second technician is already out on the job and that employee's time cannot just be disregarded. Since "Beam me up, Scotty" is not a technology that is currently available, AT&T/WorldCom's estimates, and the resulting rate, must be increased to reflect one of three realistic scenarios: 1) inclusion of the second technician's time at the third location; 2) inclusion of time for the technicians to drive back to the central office or garage to drop off one technician and then have the other technician drive to the third site; or 3) inclusion of costs of a second truck to allow the second technician to go on to another job while the first technician goes to the third location.

19. Moreover, Verizon VA's survey of the field technicians who actually travel to the relevant locations demonstrates that it takes on average approximately 80 total minutes for two technicians just to travel to a single location for underground work (and 160 minutes for two locations). *See* Verizon NRC Model at Tab 74, OSP OPERATIONS/LOGISTICS, Line 1 divided by three (since three underground locations are included in that tab). AT&T/WorldCom provide no basis for the claim that travel time could somehow be cut in half in a forward-looking environment.

20. More generally, AT&T/WorldCom propose unrealistic and unsupported work times for virtually all the tasks the technicians must perform once they reach the

relevant locations. For example, AT&T/WorldCom hypothesize that two technicians can pump and ventilate a manhole in 15 minutes (for a total of 30 minutes of time). *See* AT&T/WorldCom NRC Panel Reply Testimony, Att. A ¶ 11. But that would be true, if at all, only in the ideal case. In the real world, technicians must deal with obstacles such as extensive flooding or other difficulties. As a result, Verizon VA's data demonstrates that the average time needed for two technicians to pump and ventilate a manhole is approximately 35 minutes (for a total of 70 minutes of time). *See* Verizon NRC Model at Tab 74, OSP OPERATIONS/LOGISTICS, Line 4 divided by three (since three underground locations are included in that tab).

21. Attachment A, pages 5-6, to my declaration demonstrates the steps required for removing load coils that AT&T/WorldCom have omitted, and the times required to perform these activities. Page 1 shows the costs that would result if these times, multiplied by AT&T/WorldCom's assumed labor rates, were included in the non-recurring charge. Accordingly, AT&T/WorldCom's proposed rate should be rejected, and a rate based on Verizon VA's time estimates should be adopted instead.

22. *Bridged Tap Removal*: AT&T/WorldCom also use internally inconsistent time assumptions in developing their proposed charge for bridged tap removal. For example, AT&T/WorldCom assert that bridged tap removal will occur only at aerial and buried locations, because "bridged tap should not exist in underground feeder cable close to the central office." AT&T/WorldCom Compliance Testimony at 7. Yet AT&T/WorldCom account for only 20 minutes of travel time in their rate (assuming one technician). *See* AT&T/WorldCom NRC Panel Reply at 168, Attach. A. ¶ 12. Given AT&T/WorldCom's own travel time assumptions described above for load coil removal,

however, this makes no sense. As described above, AT&T/WorldCom assume it will take 20 minutes to get from the central office to the first underground feeder cable location, which is "close to the central office" -- AT&T/WorldCom Compliance Testimony at 7 -- and then 20 minutes to get to the second location and at least 10 minutes to get from there to the aerial or buried location. If this is so, it cannot take only 20 minutes to get all the way out to the third location -- the same amount of time that it takes to get to the location that is the closest to the central office. AT&T/WorldCom's bridge tap removal rate accordingly must be revised to include at least 50 minutes of travel time.

23. Attachment A, page 7, to my declaration demonstrates the steps required for removal of bridged taps that AT&T/WorldCom have omitted, and the times required to perform these activities. Page 1 shows the costs that would result if these times, multiplied by AT&T/WorldCom's assumed labor rates, were included in the non-recurring charge. Accordingly, AT&T/WorldCom's proposed rate should be rejected, and a rate based on Verizon VA's time estimates should be adopted instead.

24. AT&T/WorldCom's compliance filing is flawed in other respects as well. AT&T/WorldCom have included non-recurring charges for elements that are not offered by Verizon VA and which Verizon VA has no plans to offer. For example, AT&T/WorldCom include non-recurring charges for a migration (hot cut) for DS1 or DS3 circuits to a customer's premises. Verizon VA does not offer hot cuts for DS1s or DS3s.

25. In addition, AT&T/WorldCom have proposed non-recurring charges for total service resale. But for resale of services, the appropriate non-recurring charge is the

retail NRC minus the avoided cost discount. In calculating the avoided cost discount for resale of services, this is the methodology Verizon VA followed, and which the *Order* adopted with only minor changes. *Order* ¶¶ 693, 697. Establishing separate non-recurring charges for resold services, as AT&T/WorldCom have done, would require revisions to the entire avoided cost study, contrary to the terms of the *Order*. Consequently, these proposed rates should be rejected.

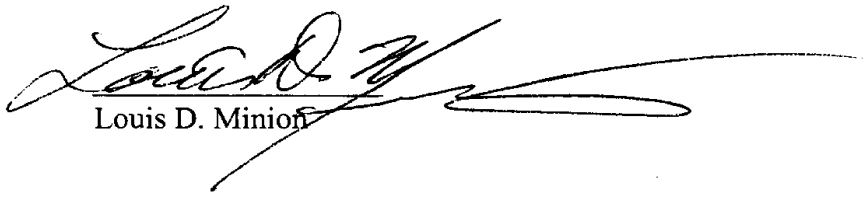
26. Moreover, as Verizon VA explained in its application for review, AT&T/WorldCom fail to include rates for numerous non-recurring tasks that Verizon VA does perform. AT&T/WorldCom's model includes only 31 NRCs (plus another 18 separately stated disconnection NRCs), and their compliance filing adds another seven (one of which is a separately stated disconnection NRC). Yet Verizon VA proposed rates for 115 non-recurring tasks. *See Order* ¶¶ 581-82. AT&T/WorldCom's model thus clearly does not fully account for all of the relevant non-recurring costs, and it should have been rejected by the *Order* on this basis alone.

27. Finally, AT&T/WorldCom decline to propose any cost sharing arrangement "to recapture previously paid non-recurring charges." AT&T/WorldCom Compliance Decl. at 10 AT&T/WorldCom state that designing any such system raises "any number of difficult questions," *id.*, and would be "complex[ ]." *Id.* at 13. Verizon VA has previously explained that any cost sharing arrangement would be inappropriate, since the CLEC first requesting the service causes Verizon VA to incur the cost of that activity. Moreover, as AT&T/WorldCom state, the attempt to design such a system would raise difficult and complex questions. Verizon VA therefore agrees that no such arrangement should be established.

28. This concludes my declaration.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on November 14, 2003



Louis D. Minion

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ALL-STATE LEG

NON-RECURRING ELEMENTS - COMPARISON

MINUTES	AT&T/MCI NRCM	Omitted Functional Steps	Other Omissions (See Notes)	AT&T/MCI NRCM Plus Omissions	VZ-VA Times as Filed	AT&T/MCI Assumed Labor Rate
Manual Loop Qualification	30.00	32.65	-	62.65	122.47	$47.25
Engineering Query	30.00	32.65	-	62.65	149.51	$47.25
Engineering Work Order (1)	30.00	403.49	30.00	463.49	695.72	$47.25
Load Coil Removal (2)	422.50	104.54	45.25	572.29	1,303.01	$48.94
Bridged Tap Removal (3)	54.50	44.38	101.25	200.13	307.09	$48.94
Line Sharing Connect w/o Prem Visit	8.10	37.99	-	46.09	59.66	$40.66
Line Sharing Connect w/ Prem Visit	8.10	183.97	-	192.07	205.64	$40.66
Line Sharing Disconnect	7.60	2.59	-	10.19	15.66	$40.66

NOTES: (1) Research of Cable Plats
(2) Inclusion of Second Technician and 20 minutes drive time to third location
(3) Inclusion of additional 30 minutes drive time to aerial/buried location plus recognition of underground work required for bridged tap removal for 18% of time

COSTS* WITHOUT OVERHEAD	AT&T/MCI NRCM	Omitted Functional Steps	Other Omissions (See Notes)	AT&T/MCI NRCM Plus Omissions	VZ-VA Times as Filed
Manual Loop Qualification	$23.63	$25.71	-	$49.34	$96.44
Engineering Query	$23.63	$25.71	-	$49.34	$117.74
Engineering Work Order	$23.63	$317.75	$23.63	$365.00	$547.88
Load Coil Removal	$344.62	$85.27	$36.91	$466.80	$1,062.82
Bridged Tap Removal	$44.45	$36.20	$82.59	$163.24	$250.48
Line Sharing Connect w/o Prem Visit	$5.49	$25.75	-	$31.24	$40.43
Line Sharing Connect w/ Prem Visit	$5.49	$124.67	-	$130.16	$139.36
Line Sharing Disconnect	$5.15	$1.76	-	$6.91	$10.61

COSTS* WITH 8% OVERHEAD	AT&T/MCI NRCM	Omitted Functional Steps	Other Omissions (See Notes)	AT&T/MCI NRCM Plus Omissions	VZ-VA Times as Filed
Manual Loop Qualification	$25.52	$27.77	-	$53.28	$104.16
Engineering Query	$25.52	$27.77	-	$53.28	$127.16
Engineering Work Order	$25.52	$343.17	$25.52	$394.20	$591.71
Load Coil Removal	$372.19	$92.09	$39.86	$504.14	$1,147.85
Bridged Tap Removal	$48.01	$39.10	$89.19	$176.30	$270.52
Line Sharing Connect w/o Prem Visit	$5.93	$27.81	-	$33.73	$43.67
Line Sharing Connect w/ Prem Visit	$5.93	$134.65	-	$140.58	$150.51
Line Sharing Disconnect	$5.56	$1.90	-	$7.46	$11.46

* All costs are determined by taking identified time multiplied by AT&T/MCI NRCM Labor Rate.

Manual Loop Qualification

Assumptions
Source of assumptions: AT&T/WCom NRC Panel Reply (at p. 168), unless otherwise noted
Labor charged at the rate for FMAC (Source for Rate: **AT&T/WCom NRCM Input Records, General Labor Rates**)

Step No.	Step Description	Time (minutes)	Probability	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *
501	(Engineering clerk) Pull and analyze order, pull loop makeup information manually and transmit that information to competitor	30	100%	$47.25	$23.63	89.8
	Total Cost (without overhead)	**30**			**$23.63**	**122.5**
VERIZON	NMC to Receive Local Service Request from the CLEC and print, review, type and confirm the order request for changes in existing account.					0.31
VERIZON	NMC to respond to and/or change CLEC's pending Local Service Request.					1.01
VERIZON	RCCC to perform administrative checks					6.42
VERIZON	RCCC to verify dispatch and coordinate appropriate testing with the dispatched technician.					6.17
VERIZON	RCCC to update work activity in required systems.					13.36
VERIZON	RCCC to log DMARC order information and/or testing results in WFA/C.					5.38
VERIZON	FMC receives and reviews the loop qualification form from the RCCC for those circuits that could not be tested and those lines that qualified for the requested service.				In Step 501	6.52
VERIZON	FMC assigns task to Engineering Clerk to check paper records.				In Step 501	3.55
VERIZON	FMC receives and reviews Notice for Manual Inquiry.				In Step 501	6.34
VERIZON	FMC researches the LFACS database for terminal location, cable count, and telephone number(s).				In Step 501	9.99
VERIZON	FMC reviews cross-reference dictionary for plat number(s).				In Step 501	4.93
VERIZON	FMC pulls cable plat(s) for aerial and underground route.				In Step 501	6.85
VERIZON	FMC determines from the cable plat(s) the loop length by calculating the distance from the central office to the serving terminal.				In Step 501	16.27
VERIZON	FMC determines from the cable plat(s) the presence or absence of load coils, bridged taps or whether facilities are on DLC				In Step 501	12.24
VERIZON	FMC enters LMU and count qualifier codes into LFACS and LIVEWIRE				In Step 501	5.91
VERIZON	FMC posts information to the loop qualification form.				In Step 501	4.49
VERIZON	FMC forwards loop qualification form to the Engineer for review.				In Step 501	3.28
VERIZON	FMC reviews and analyzes data supplied by the Engineering Clerk and posts to the loop qualification form.				In Step 501	5.80
VERIZON	FMC returns completed loop qualification form to the NMC.				In Step 501	3.64

* Verizon Forward-Looking Time equals Current Time x Typical Occurrence Factor x Forward-Looking Adjustment Factor.

Engineering Query

Assumptions

Source of assumptions: AT&T/WCom NRC Panel Reply (at p. 168), unless otherwise noted

Labor charged at the rate for FMAC (Source for Rate: **AT&T/WCom NRCM Input Records, General Labor Rates)**

Step No.	Step Description	Time (minutes)	Probability	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *
501	(Engineering) Pull and analyze order, pull loop makeup information manually and transmit that information to competitor.	30	100%	$47.25	$23.63	116.9
	Total Cost (without overhead)	**30**			**$23.63**	**149.5**
VERIZON	NMC to Receive Local Service Request from the CLEC and print, review, type and confirm the order request for changes in existing account.					0.31
VERIZON	NMC to respond to and/or change CLEC's pending Local Service Request.					1.01
VERIZON	RCCC to perform administrative checks					6.42
VERIZON	RCCC to verify dispatch and coordinate appropriate testing with the dispatched technician.					6.17
VERIZON	RCCC to update work activity in required systems.					13.36
VERIZON	RCCC to log DMARC order information and/or testing results in WFA/C.					5.38
VERIZON	FMC receives and reviews the loop qualification form from the RCCC.				In Step 501	10.32
VERIZON	FMC researches the LFACS database for terminal location, cable count, and telephone number(s).				In Step 501	16.65
VERIZON	FMC reviews cross-reference dictionary for plat number(s).				In Step 501	8.22
VERIZON	FMC pulls cable plat(s) for aerial and underground route.				In Step 501	11.41
VERIZON	FMC determines from the cable plat(s) the presence or absence of load coils, bridged taps or whether facilities are on DLC.				In Step 501	20.40
VERIZON	FMC creates worksheet indicating the length of the run, the gauge of the wire and location of any bridged tap(s), load coils or DLC.				In Step 501	21.95
VERIZON	FMC completes loop make-up form from the worksheet.				In Step 501	9.17
VERIZON	FMC updates LFACS DB with length, gauge, bridged tap(s), load coils and DLC information and update LIVEWIRE with ADSL loop length.				In Step 501	11.33
VERIZON	FMC forwards information to the NMC.				In Step 501	7.41

* Verizon Forward-Looking Time equals Current Time x Typical Occurrence Factor x Forward-Looking Adjustment Factor.

Engineering Work Order

Assumptions
Source of assumptions: Attachment A to AT&T/WCom NRC Panel Reply (paras. 24-25), unless otherwise noted
Tasks and times should be based on forward-looking processes
Condition one pair at a time (**Virginia Arbitration Order at paras. 641-2**)
Applies once per service order (**Virginia Arbitration Order at paras. 643**)
Labor charged at the rate for FMAC (Source for Rate: **AT&T/WCom NRCM Input Records, General Labor Rates**)

Step No.	Step Description	Time (minutes)	Probability	Total Time (minutes)	No. of Pairs at a Time	Time per Pair (minutes)	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *
701	Design work requirement (e.g., remove bridged tap(s), remove load coils) after research of cable plat(s); draw schematic of work required including outside plant locations.	10	100%	10	1	10	$47.25	$7.88	171.82
702	Update LFACS and LIVEWIRE.	5	100%	5	1	5	$47.25	$3.94	45.97
703	Send copies of engineering work order to Construction and Accounting.	5	100%	5	1	5	$47.25	$3.94	20.02
704	Receive completion notice from Construction and final post the work order on the cable plat(s).	10	100%	10	1	10	$47.25	$7.88	54.41
	Total Cost (without overhead)					30		$23.63	695.7
VERIZON	Upon request for an Engineering Work Order, acquire work order number.								5.67
VERIZON	Prepare field notes and contact telephone numbers.								78.22
VERIZON	Design work requirement (e.g., remove bridged tap(s), remove load coils) after research of cable plat(s).								In Step 701
VERIZON	Draw schematic of work required including outside plant locations.								In Step 701
VERIZON	Check for and obtain any necessary permits.								90.31
VERIZON	Send schematic to Engineering Clerk for drafting of work print and preposting of cable plat(s).								14.81
VERIZON	Receive schematic from engineer for drafting.								10.50
VERIZON	Complete the work print.								79.83
VERIZON	Pre-post cable plat(s).								23.66
VERIZON	Update LFACS and LIVEWIRE.								In Step 702
VERIZON	Forward completed work product to Engineer.								6.43
VERIZON	Review final design from drafting.								15.35
VERIZON	Acquire necessary and appropriate approval.								17.81
VERIZON	Schedule work with Construction.								24.34
VERIZON	Send copies of engineering work order to Construction and Accounting.								In Step 703
VERIZON	Receive completion notice from Construction. (Loop Engineer)								14.00
VERIZON	Complete and forward billing information to Special Billing Unit.								22.55
VERIZON	Receive completion notice from Construction and final post the work order on the cable plat(s). (Draftsperson)								In Step 704

* Verizon Forward-Looking Time equals Current Time x Typical Occurrence Factor x Forward-Looking Adjustment Factor.

Load Coil Removal from Loops Greater than 18,000 feet

Assumptions

Source of assumptions: Attachment A to AT&T/WCom NRC Panel Reply (para. 11) , unless otherwise noted

Remove load coils from 3 locations on loop, on average
- 2 locations in underground and 1 location in aerial/buried (50% probability each)

Underground work requires 2 technicians; aerial or buried requires only 1

Remove coils from one pair at a time (**Virginia Arbitration Order at para 641**)
- Steps listed in Attachment A para. 11 assumed conditioning of multiple loops at a time; therefore, steps unnecessary for conditioning a single loop have been removed.
- Times for certain steps are conservatively high, because they were not adjusted downward to reflect conditioning a single loop. Alternate times are provided for comparison.

Labor charged at the rate for Splicing Tech (Source for Rate: **AT&T/WCom NRCM Input Records, General Labor Rates**)

Step No	Step Description	Time (minutes) from Att A	Time (minutes) w/ adjustment (for comparison)	No. of Technicians	No. of Locations (Probability)	Total Time (minutes)	No. of Pairs at a Time	Time per Pair (minutes)	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *
	Underground Cable Load Coil Removal in a Manhole (per location)										
601	Travel time to underground splice location.	20	20	2	2	80	1	80	$48.94	$65.25	243.44
602	Set up work area protection and underground work site.	5	5	2	2	20	1	20	$48.94	$16.31	107.23
603	Pump and ventilate manhole.	15	15	2	2	60	1	60	$48.94	$48.94	485.47
604	Buffer cable / Rerack cable / set up splice.	5	5	2	2	20	1	20	$48.94	$16.31	207.19
605	Open splice case.	5	5	2	2	20	1	20	$48.94	$16.31	156.00
606	Identify pair to be deloaded.	5	2	2	2	20	1	20	$48.94	$16.31	201.75
607	Remove / sever connection from main cable to load 'in' & 'out' taps.	3	0.5	2	2	12	1	12	$48.94	$9.79	43.71
608	Rejoin / splice pair through main cable.	5	0.5	2	2	20	1	20	$48.94	$16.31	60.25
609	Clean, reseal, and close splice case.	10	10	2	2	40	1	40	$48.94	$32.63	160.36
610	Rack cables, pressure test cables in manhole.	10	10	2	2	40	1	40	$48.94	$32.63	-
611	Close down manhole, stow tools, break down work area protection.	10	10	2	2	40	1	40	$48.94	$32.63	125.89
	Aerial Cable Load Coil Removal at a Pole (per location -- 50% probability of occurrence)										
612	Travel time to aerial splice location from underground splice location.	10	10	1	0.5	5	1	5	$48.94	$4.08	121.72
613	Set up work area protection.	5	5	1	0.5	2.5	1	2.5	$48.94	$2.04	53.61
614	Set up ladder or bucket truck.	10	10	1	0.5	5	1	5	$48.94	$4.08	53.94
605	Open splice case.	5	5	1	0.5	2.5	1	2.5	$48.94	$2.04	78.00
615	Identify PIC pair to be deloaded.	2	1	1	0.5	1	1	1	$48.94	$0.82	100.88
607	Remove / sever connection from main cable to load 'in' & 'out' taps.	3	0.5	1	0.5	1.5	1	1.5	$48.94	$1.22	21.86
608	Rejoin / splice pair through main cable.	5	0.5	1	0.5	2.5	1	2.5	$48.94	$2.04	30.13
609	Clean, reseal, and close splice case.	10	10	1	0.5	5	1	5	$48.94	$4.08	80.18
616	Secure splice case to strand and clean up work area.	10	10	1	0.5	5	1	5	$48.94	$4.08	-
617	Close down aerial site, stow tools, break down work area protection.	10	10	1	0.5	5	1	5	$48.94	$4.08	62.94
	Buried Cable Load Coil Removal at a Pedestal (per location -- 50% probability of occurrence)										
618	Travel time to buried splice location from underground splice location.	10	10	1	0.5	5	1	5	$48.94	$4.08	
619	Set up traffic cone at rear bumper of truck.	1	1	1	0.5	0.5	1	0.5	$48.94	$0.41	
620	Walk to site & open splice pedestal.	2	2	1	0.5	1	1	1	$48.94	$0.82	
615	Identify PIC pair to be deloaded.	2	1	1	0.5	1	1	1	$48.94	$0.82	
607	Remove / sever connection from main cable to load 'in' & 'out' taps.	3	0.5	1	0.5	1.5	1	1.5	$48.94	$1.22	
608	Rejoin / splice pair through main cable.	5	0.5	1	0.5	2.5	1	2.5	$48.94	$2.04	
621	Secure splice within buried pedestal and clean up work area.	3	3	1	0.5	1.5	1	1.5	$48.94	$1.22	
622	Close down buried site, stow tools and traffic cone.	5	5	1	0.5	2.5	1	2.5	$48.94	$2.04	

Load Coil Removal from Loops Greater than 18,000 feet

Assumptions

Source of assumptions: Attachment A to AT&T/WCom NRC Panel Reply (para. 11) , unless otherwise noted

Remove load coils from 3 locations on loop, on average
- 2 locations in underground and 1 location in aerial/buried (50% probability each)

Underground work requires 2 technicians; aerial or buried requires only 1

Remove coils from one pair at a time (**Virginia Arbitration Order at para 641**)
- Steps listed in Attachment A para. 11 assumed conditioning of multiple loops at a time; therefore, steps unnecessary for conditioning a single loop have been removed.
- Times for certain steps are conservatively high, because they were not adjusted downward to reflect conditioning a single loop. Alternate times are provided for comparison.

Labor charged at the rate for Splicing Tech (Source for Rate: **AT&T/WCom NRCM Input Records, General Labor Rates**)

Step No.	Step Description	Time (minutes) from Att. A	Time (minutes) w/ adjustment (for comparison)	No. of Technicians	No. of Locations (Probability)	Total Time (minutes)	No. of Pairs at a Time	Time per Pair (minutes)	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *
	Total Cost (without overhead)							**422.5**		**$344.62**	**1303.0**
UNDERGROUND LOAD COIL REMOVAL		**Percent Underground**		**50.1%**							
VZ CMC	CMC builds work operations in ECRIS / CMA / MACEM.										53.00
VZ CMC	CMC completes the work operations in ECRIS / CMA / MACEM										36.50
VZ CMC	CMC closes out the order and sends the completion notice to Engineering.										15.04
VZ OSP	Receive work assignment from foreman and travel to job site.										In Step 601
VZ OSP	Upon arrival at job site, set up work area protection.										In Step 602
VZ OSP	If site is underground, open manhole and begin purging the manhole to dissipate any stagnant gas, ensure against oxygen deficiency, and provide a complete air change in the manhole										In Step 603
VZ OSP	If underground, pump manhole if necessary.										In Step 603
VZ OSP	If underground, test the manhole environment to ensure there is no combustible gas prior to entering.										In Step 603
VZ OSP	If underground, set up the inside of the manhole for work to be done.										In Step 604
VZ OSP	Identify and open the splice case.										In Step 605
VZ OSP	If required, send tone from the central office on the pair to be unloaded (requires a central office technician). Provide estimate of the percentage of jobs that will require tone.										In Step 606
VZ OSP	After identification of the pair, monitor to ensure there is no traffic.										In Step 607
VZ OSP	Cut off pair at both ends (one pair from the splice case to the load coil and one pair from the load coil back to the splice case) and splice pair through.										In Step 608
VZ OSP	Close splice case.										In Step 609
VZ OSP	Tear down site set up and remove work area protection.										In Step 611
AERIAL LOAD COIL REMOVAL		**Percent Aerial**		**49.9%**							
VZ CMC	CMC builds work operations in ECRIS / CMA / MACEM.										53.00
VZ CMC	CMC completes the work operations in ECRIS / CMA / MACEM										36.50
VZ CMC	CMC closes out the order and send the completion notice to Engineering.										15.04
VZ OSP	Receive work assignment from foreman and travel to job site.										In Step 612
VZ OSP	Upon arrival at job site, set up work area protection.										In Step 613
VZ OSP	If site is aerial, set up bucket truck and/or ladder and platform.										In Step 614
VZ OSP	Identify and open the splice case.										In Step 605
VZ OSP	If required, send tone from the central office on the pair to be unloaded (requires a central office technician). Provide estimate of the percentage of jobs that will require tone.										In Step 615
VZ OSP	After identification of the pair, monitor to ensure there is no traffic.										In Step 607
VZ OSP	Cut off pair at both ends (one pair from the splice case to the load coil and one pair from the load coil back to the splice case) and splice pair through.										In Step 608
VZ OSP	Close splice case.										In Step 609
VZ OSP	Tear down site set up and remove work area protection.										In Step 617

* Verizon Forward-Looking Time equals Current Time x Typical Occurrence Factor x Forward-Looking Adjustment Factor.

Bridged Tap Removal - Single Occurrence

Assumptions

Source of assumptions: Attachment A to AT&T/WCom NRC Panel Reply (para. 12), unless otherwise noted

Charge applies only when the tap does not exceed 2,500 feet, with no single tap longer than 2,000 feet **(Virginia Arbitration Order at para. 642)**

Remove bridged tap from a single location on loop

- Bridged tap should not occur in underground (near central office)
- 50% probability each that bridged tap will be in aerial or buried

Aerial or buried work requires only 1 technician

Remove bridged tap from one pair at a time **(Virginia Arbitration Order at para. 642)**

- Steps listed in Attachment A para. 11 assumed conditioning of multiple loops at a time; therefore, steps unnecessary for conditioning a single loop have been removed.
- Times for certain steps are conservatively high, because they were not adjusted downward to reflect conditioning a single loop. Alternate times are provided for comparison.

Labor charged at the rate for Splicing Tech (Source for Rate: **AT&T/WCom NRCM Input Records, General Labor Rates)**

Step No.	Step Description	Time (minutes) from Att. A	Time (minutes) w/ adjustment (for comparison)	No. of Technicians	No. of Locations (Probability)	Total Time (minutes)	No. of Pairs at a Time	Time per Pair (minutes)	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *
	Aerial Cable Bridged Tap Removal at a Pole (50% probability of occurrence)										
623	Travel time to aerial splice location.	20	20	1	0.5	10	1	10	$48.94	$8.16	40.57
613	Set up work area protection.	5	5	1	0.5	2.5	1	2.5	$48.94	$2.04	17.87
614	Set up ladder or bucket truck.	10	10	1	0.5	5	1	5	$48.94	$4.08	17.98
605	Open splice case.	5	5	1	0.5	2.5	1	2.5	$48.94	$2.04	26.00
624	Identify PIC pair for bridged tap removal.	2	0.5	1	0.5	1	1	1	$48.94	$0.82	25.92
625	Remove bridging modules or cut & clear pair.	2	0.5	1	0.5	1	1	1	$48.94	$0.82	15.40
609	Clean, reseal, and close splice case.	10	10	1	0.5	5	1	5	$48.94	$4.08	26.73
616	Secure splice case to strand and clean up work area.	10	10	1	0.5	5	1	5	$48.94	$4.08	-
617	Close down aerial site, stow tools, break down work area protection.	10	10	1	0.5	5	1	5	$48.94	$4.08	20.98
	Buried Cable Bridged Tap Removal at a Pedestal (50% probability of occurrence)										
626	Travel time to buried splice location.	20	20	1	0.5	10	1	10	$48.94	$8.16	
619	Set up traffic cone at rear bumper of truck.	1	1	1	0.5	0.5	1	0.5	$48.94	$0.41	
620	Walk to site & open splice pedestal.	2	2	1	0.5	1	1	1	$48.94	$0.82	
624	Identify PIC pairs for bridged tap removal.	2	0.5	1	0.5	1	1	1	$48.94	$0.82	
625	Remove bridging modules or cut & clear pair.	2	0.5	1	0.5	1	1	1	$48.94	$0.82	
621	Secure splice within buried pedestal and clean up work area.	3	3	1	0.5	1.5	1	1.5	$48.94	$1.22	
622	Close down buried site, stow tools and traffic cone.	5	5	1	0.5	2.5	1	2.5	$48.94	$2.04	
	Total Cost (without overhead)							54.5		$44.45	307.1
	UNDERGROUND BRIDGED TAP REMOVAL	**PCT UNDERGROUND**	**18.44%**								
VZ CMC	Build work operations in ECRIS / CMA / MACEM.										18.00
VZ CMC	Complete the work operations in ECRIS / CMA / MACEM										11.63
VZ CMC	Close out the order and send the completion notice to Engineering.										14.76
VZ OSP	Receive work assignment from foreman and travel to job site.										81.15
VZ OSP	Upon arrival at job site, set up work area protection.										35.74
VZ OSP	If site is underground, open manhole and begin purging the manhole to dissipate any stagnant gas, ensure against oxygen deficiency, and provide a complete air change in the manhole.										68.75
VZ OSP	If underground, pump manhole if necessary.										68.14
VZ OSP	If underground, test the manhole environment to ensure there is no combustible gas prior to entering.										23.94
VZ OSP	If underground, set up the inside of the manhole for work to be done.										89.06
VZ OSP	Identify and open the splice case.										52.00
VZ OSP	If required, send tone from the central office on the pair from which bridged tap is to be removed (requires a central office technician). Provide estimate of the percentage of jobs that will require tone.										51.84
VZ OSP	After identification of the pair, monitor to ensure there is no traffic.										14.57
VZ OSP	Cut off bridge tap and splice pair through.										16.23
VZ OSP	Close splice case.										53.45
VZ OSP	Tear down site set up and remove work area protection.										41.96
	AERIAL BRIDGED TAP REMOVAL	**PERCENT AERIAL**	**81.56%**								
VZ CMC	Build work operations in ECRIS / CMA / MACEM.										18.00
VZ CMC	Complete the work operations in ECRIS / CMA / MACEM										11.63
VZ CMC	Close out the order and send the completion notice to Engineering.										14.76
VZ OSP	Receive work assignment from foreman and travel to job site.										In Step 623
VZ OSP	Upon arrival at job site, set up work area protection.										In Step 613
VZ OSP	If site is aerial, set up bucket truck and/or ladder and platform.										In Step 614
VZ OSP	Identify and open the splice case.										In Step 605
VZ OSP	If required, send tone from the central office on the pair from which bridged tap is to be removed (requires a central office technician). Provide estimate of the percentage of jobs that will require tone.										In Step 624
VZ OSP	After identification of the pair, monitor to ensure there is no traffic.										In Step 625
VZ OSP	Cut off bridge tap and splice pair through.										In Step 625
VZ OSP	Close splice case.										In Step 609
VZ OSP	Tear down site set up and remove work area protection.										In Step 617

* Verizon Forward-Looking Time equals Current Time x Typical Occurrence Factor x Forward-Looking Adjustment Factor.

Line Sharing - Connect

Assumptions
Source of assumptions: AT&T/WCom NRCM (UNE Loop Connect), unless otherwise noted
Line sharing is ordered only on working line **(AT&T/WCom NRC Panel Reply at 121)**
Install two cross connects (jumpers) and remove one jumper **(AT&T/WCom NRC Panel Reply at 119)**
Labor charged at the rate for FCC and LAC (Source for rates: **AT&T/WCom NRCM Input Records, General Labor Rates)**

Step No	Step Description	Time (minutes)	Probability	Time (minutes) x Probability	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *	
47	***Pull and Analyze Order Steps***							
48	Pull and analyze order: FCC; (copper%)	2.5	100%	2.5	$40.66	$1.69	5.50	
55	***Travel Time Steps***							
56	Travel time to the central office: CO non staffed, # orders per trip, Copper	20	5%	1	$40.66	$0.68	3.98	
71	***Element Type Detail Steps***							
74	Install cross connect from MDF to CFA appearance	1	100%	1	$40.66	$0.68	8.53	
74	Install cross connect from MDF to CFA appearance	1	100%	1	$40.66	$0.68	incl above	
79	Remove jumper from MDF	0.5	100%	0.5	$40.66	$0.34	incl above	
76	Perform continuity test (check dial tone and ANI)	0.25	100%	0.25	$40.66	$0.17	incl above	
198	***Fall Out Steps***							
203	Fall Out: Pull and analyze order: LAC	2.5	2%	0.05	$40.66	$0.03	0.36	
204	Fall Out: Resolve fallout: LAC	15	2%	0.3	$40.66	$0.20	incl above	
209	***Close Order Steps***							
210	Close order: FCC Copper%	1.5	100%	1.5	$40.66	$1.02	3.30	
								Premises Visit
	Total Cost (without overhead)			8.1		$5.49	205.6	Included
							59.7	Excluded

* Verizon Forward-Looking Time equals Current Time x Typical Occurrence Factor x Forward-Looking Adjustment Factor.

Line Sharing - Disconnect

Assumptions
Source of assumptions: AT&T/WCom NRCM (UNE Loop Disconnect), unless otherwise noted
Remove two jumpers (cross connects) and install one cross connect **(AT&T/WCom NRC Panel Rebuttal at 119)**
Labor charged at the rate for FCC and LAC (Source for rates: **AT&T/WCom NRCM Input Records, General Labor Rates)**

Step No	Step Description	Time (minutes)	Probability	Time (minutes) x Probability	Labor Rate ($/hour)	Cost without Overhead	VERIZON Fwd-Looking Time *
47	***Pull and Analyze Order Steps***						
48	Pull and analyze order: FCC; (copper%)	2.5	100%	2.5	$40.66	$1.69	5.45
55	***Travel Time Steps***						
56	Travel time to the central office: CO non staffed, # orders per trip, Copper	20	5%	1	$40.66	$0.68	5.12
71	***Element Type Detail Steps***						
79	Remove jumper from MDF	0.5	100%	0.5	$40.66	$0.34	
79	Remove jumper from MDF	0.5	100%	0.5	$40.66	$0.34	
74	Install cross connect from MDF to CFA appearance	1	100%	1	$40.66	$0.68	
76	Perform continuity test (check dial tone and ANI)	0.25	100%	0.25	$40.66	$0.17	
198	***Fall Out Steps***						
203	Fall Out: Pull and analyze order: LAC	2.5	2%	0.05	$40.66	$0.03	
204	Fall Out: Resolve fallout: LAC	15	2%	0.3	$40.66	$0.20	
209	***Close Order Steps***						
210	Close order: FCC:Copper%	1.5	100%	1.5	$40.66	$1.02	2.5
	Total Cost (without overhead)			7.6		$5.15	15.7

	LINE SHARING CONNECT	VERIZON Fwd-Looking Time *
VZ NMC	Receive Local Service Request (LSR) from the CLEC and print, review, type and confirm the order request for new installation and/or account.	12.85
VZ NMC	Receive Local Service Request from the CLEC and print, review, type and confirm the order request for changes in existing account.	0.22
VZ NMC	Respond and/or change CLEC's pending Local Service Request	0.67
VZ RCCC	Access WFA/C to begin coordination process. (Screener)	0.53
VZ RCCC	Analyze order for work activity. (Screener)	0.43
VZ RCCC	Eliminate roadblocks from the order. (Screener)	0.27
VZ RCCC	Analyze order for related orders (CRO). (Screener)	0.35
VZ RCCC	Assign order to Technician. (Screener)	0.55
VZ RCCC	Perform administrative checks.	1.38
VZ RCCC	Remove any facility roadblocks or problems.	1.10
VZ RCCC	Verify Provisioning NEW LINE installation has been performed by the field forces. (Check WFA/DO, call CSC, escalate-if necessary)	0.89
VZ RCCC	Update work activity in required systems.	2.67
VZ RCCC	Notify CLEC of line/circuit completion.	1.06
VZ RCCC	Log DMARC order information and/or testing results in WFA/C.	1.66
VZ RCCC	Complete the order.	1.35
VZ RCCC	On DD at end of tour, complete order in WFA/C.	0.00
VZ RCCC	If a CLEC postpones the order via a telephone call to the RCCC, enter JEP/MFC in WFA/C pending DD change.	0.00
VZ RCCC	If NO access on Line: enter JEP/MFC in WFA/C & reschedule upon receipt of firm DD change.	0.27
VZ APC	Assign outside plant and central office facilities for non-flowthrough service orders	In Step 203
VZ C.O.	Retrieve FOMS/TIRKS output (paper copy) and verify the information.	In Step 48
VZ C.O.	Travel to remote/unmanned central office for the purpose of performing frame provisioning work.	In Step 56
VZ C.O.	Confirm the assignment by verifying that the cable and pair assignment is correct. Notify RCCC of any troubles and obtain new assignment.	7.08
VZ C.O.	Place new cross connection(s) (including intermediate tie pairs) and test to insure dial tone leaves the central office OK or circuit has continuity. Connect CLEC dial tone/OE Appearance (port) to vertical cable and pair location on MDF.	In Step 74
VZ C.O.	If a problem occurs, resolve the problem with field installation technicians and the RCCC to insure that the CLEC can reach its end-user at the time of installation.	4.69
VZ C.O.	Complete order in FOMS/TIRKS.	In Step 210
VZ OSP	Obtain Dispatch Info via CAT.	15.49
VZ OSP	Travel from garage or previous job.	28.74
VZ OSP	Gain Access to Prem and demarcation point / NID.	24.25
VZ OSP	Locate terminal and/or cross-connect box feeding premises.	16.36
VZ OSP	Contact MLAC, if necessary, for new pair assignment.	4.99
VZ OSP	Work with Frame, and / or RCCC if necessary, for new pair assignment.	4.33
VZ OSP	Place intermediate field X-Conn and NI (SI).	6.54
VZ OSP	Verify that TC dial tone is present on assigned facility.	20.76
VZ OSP	Designate (tag) circuit for subsequent identification at demarcation point. (NID, Term, SNI).	10.70
VZ OSP	Provide demarc info / location / circuit info not in the company's operating systems.	2.75
VZ OSP	Field Tech enters completion into WFA.	11.08

	LINE SHARING DISCONNECT	VERIZON Fwd-Looking Time *
VZ RCCC	Access WFA/C to begin coordination process. (Screener)	0.69
VZ RCCC	Analyze order for work activity. (Screener)	0.34
VZ RCCC	Eliminate roadblocks from the order. (Screener)	0.32
VZ RCCC	Analyze order for related orders (CRO). (Screener)	0.30
VZ RCCC	Assign order to Technician. (Screener)	0.61
VZ RCCC	On DD at end of tour, complete order in WFA/C.	0.22
VZ RCCC	If a CLEC postpones the order via a telephone call to the RCCC, enter JEP/MFC in WFA/C pending DD change.	0.11
VZ C.O.	Retrieve FOMS/TIRKS output (paper copy) and verify the information.	In Step 48
VZ C.O.	Travel to remote/unmanned central office for the purpose of performing frame provisioning work.	In Step 56
VZ C.O.	Complete order in FOMS/TIRKS.	In Step 210

* Verizon Forward-Looking Time equals Current Time x Typical Occurrence Factor x Forward-Looking Adjustment Factor.